



CORPORATION SERVICE COMPANY

801 Adlai Stevenson Drive Springfield, IL 62703-4261

RECORDATION NO. 24998 FILED

JUN 22 '04

2-15 PM

SURFACE TRANSPORTATION BOARD

June 21, 2004

Barbara Saddler
Surface Transportation Board
Recordation Office
1925 K Street, N.W., Suite 70
Washington D.C. 20423



Dear Barbara,

Enclosed are two (2) originals of the **Memorandum of Security Agreement** dated as of May 26, 2004 between the following parties:

Names and address of the following parties:

Lessor: **Great Lakes Bank, N.A.**
2034 Ridge Road, Homewood, IL 60430

Lessee: **Industrial Railway Switching and Services, Inc.**
1020 Washington Street, Chicago Heights, IL 60411

A short summary of the document to appear in the index follows:

Memorandum of Railcar Lease between Lessor: **Great Lakes Bank, N.A.** and Lessee: **Industrial Railway Switching and Services, Inc.** covering 5 rail cars with reporting marks and numbers — LLX 153 EMD-SW-600 – LLX 160 EMD-SW-800, NOT INCLUSIVE.

Please file this memorandum as a PRIMARY document and return one (1) stamped original to my attention. A check covering the filing fee of thirty dollars (\$30.00) is enclosed.

If you have any questions regarding the filing, please feel free to call me at 800-995-5071 ext. 3813.

Thank you for your prompt assistance.

Sincerely,

April O'Shea
Motor Vehicle Specialist
Enclosure

800.634.9738 | 217.544.5900 | fax 800.214.8529

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MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Memorandum of Security Agreement dated as of May 26, 2004, is by and among GREAT LAKES BANK, N.A. ("Lender") whose address is 2034 Ridge Road, Homewood, Illinois 60430, INDUSTRIAL RAILWAY SWITCHING AND SERVICES, INC. ("Borrower"), whose address is 1020 Washington Street, Chicago Heights, IL 60411, LLX RAIL, INC. ("Grantor"), B.K. FORGEY, III and ROBERT G. BISCAN (collectively "Guarantors").

1. The Lender has made a loan to the Borrower ("Loan") pursuant to an Amended and Restated Loan and Security Agreement dated as of May 26, 2004 ("Loan Agreement").

2. In order to secure the Loan, Grantor granted to Lender pursuant to an Amended and Restated Security Agreement by and between Grantor and Lender dated May 26, 2004, a first lien on and security interest in all of Grantor's right, title and interest in and to the following locomotives:

- LLX 153 EMD-SW-600 ✓
- LLX 154 EMD-SW-600 ✓
- LLX 158 EMD-SW-600
- LLX 159 EMD-SW-800 ✓
- LLX 160 EMD-SW-800

3. Guarantors have executed their continuing unconditional guaranty of all of Borrower's obligations and indebtedness to Lender under the Loan Agreement.

This document may be signed in any number of counterparts, each of which shall be an original and all of which shall be a part of this Memorandum of Security Agreement.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, each of the parties hereto has caused this MEMORANDUM OF SECURITY AGREEMENT to be executed by its duly authorized officer or has executed this MEMORANDUM OF SECURITY AGREEMENT individually, as of the date first above written.

GREAT LAKES BANK, N.A.,
As Lender

By: Cheri Vana
Name: Cheri Vana
Title: AVP

INDUSTRIAL RAILWAY SWITCHING AND
SERVICES, INC.,
As Borrower

By: BK Forgy III
Name: BK Forgy III
Title: President

LLX RAIL, INC.,
As Grantor

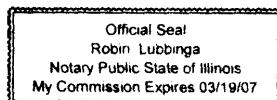
By: BK Forgy III
Name: BK Forgy III
Title: President

By: BK Forgy III
B.K. FORGEY, III, Guarantor

By: Robert G. Biscan
ROBERT G. BISCAN, Guarantor

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

This instrument was acknowledge before me on May 26th, 2004 by Cheri Vana as Vice ^{Asst.} President of Great Lakes Bank, N.A.



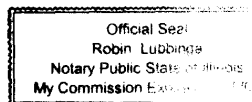
Robin Lubbinga
NOTARY PUBLIC

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.

This instrument was acknowledge before me on May 26th, 2004 by B. K. Forgey III
as President of Industrial Railway
Switching and Services, Inc.

Robin Lubbinga
NOTARY PUBLIC

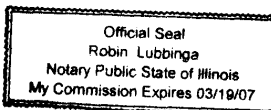
STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.



This instrument was acknowledge before me on May 26th, 2004 by B. K. Forgey III
as President of LLX Rail, Inc.

Robin Lubbinga
NOTARY PUBLIC

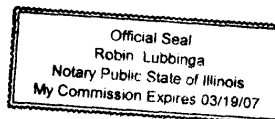
STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.



This instrument was acknowledge before me on May 26th, 2004 by B.K. Forgey, III.

Robin Lubbinga
NOTARY PUBLIC

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.



This instrument was acknowledge before me on May 26th, 2004 by Robert G. Biscan.

Robin Lubbinga
NOTARY PUBLIC

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